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IN THE

Supreme Court of the United States

OCTOBER TERM, 1935.

No. 356

WINE RAILWAY APPLIANCE COMPANY,
Petitioner,

vs.

ENTERPRISE RAILWAY EQUIPMENT COMPANY,
Respondent.

ON CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT.

BRIEF FOR RESPONDENT.

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BRIEF FOR RESPONDENT.

OPINIONS BELOW.

The unreported opinion of the District Court of the United States for the Northern District of Ohio, Western Division, on the question here involved, appears at pages 167 to 169 of the Record. The opinion of the Circuit Court of Appeals for the Sixth Circuit (R. 226) is reported in 77 F. (2) 159. The Master's Report on the accounting, confirmed by the District Court, but overruled as to the question here involved, appears at pages 14 to 23 of the Record.

The opinion of the Circuit Court of Appeals for the Sixth Circuit on appeal from the decree of the District Court dismissing the petitioner's counterclaim (R. 2) is reported in 25 F. (2) 236. The District Court opinion on the question of validity and infringement is not reported.

JURISDICTION.

The case is before the Court on writ of certiorari to the United States Circuit Court of Appeals for the Sixth Circuit. The jurisdiction of this Court rests on Section 240(a) of the Judicial Code, as amended. The decree below was entered on May 14, 1935. (R. 225.) The petition for writ of certiorari was filed on August 12, 1935, and granted October 14, 1935. (R. 229.)

STATEMENT OF THE CASE.

The petitioner's Statement of the case is accurate. The patented device was never made or sold by the petitioner or any licensee; and the first actual notice respondent had of the patent and its infringement was when the counterclaim was filed by the petitioner in a patent infringement suit instituted by the respondent. (R. 226.)

The question presented for decision is whether the period for which the respondent must account begins as of the date of the issuance of the patent on November 7, 1922 (at which time the acts of the respondent held to be an infringement were in progress); or whether the accounting of the respondent begins as of the date of the giving of notice by the filing of the counterclaim on April 25, 1923.

QUESTIONS PRESENTED.

The question presented is:

Whether a patentee who neither makes, vends, nor uses the patented article is limited in his recovery to damages and profits accruing from infringement committed subsequently to notice of infringement to the defendant.

The respondent contends that Section 4900 R. S. requires a patentee or patent owner, whether or not he uses or vends, to give notice in one of the two alternative methods (marking the article or actual notice to the defendant) provided and required by Section 4900.

The petitioner contends that not having made or sold any of the articles of the patent, it is excused from the operation of the statute.

SUMMARY OF ARGUMENT.

Point I.

Section 4900 provides alternative methods of notice, each of which is an affirmative act. One or the other of these methods a patentee must use as a prerequisite to recovery.

This is clear from a reading of the statute entirely apart from its legislative history and without support of judicial decision.

Point II.

The legislative history of Section 4900 R. S. shows that Congress changed prior statutes, respecting marking and notice, and intended to make the change it wrought.

Earlier statutes by their express terms were applicable only to patentees and assignees who made or vended.

Point III.

The decision of the Circuit Court of Appeals is in harmony with the decision of this Court in Dunlap v. Schofield, 152 U. S. 244, and with the decision of each Circuit Court of Appeals which has passed upon the question involved.

These decisions hold that Section 4900 applies to *all* patentees.

ARGUMENT.

Point I.

Entirely apart from any consideration of legislative history as an aid to interpretation and without the support of judicial decision, Section 4900 R. S. shows by its terms that it requires notice of infringement in one of the alternative methods provided as a prerequisite to the recovery of damages.

The statute in question reads as follows:

> "**Patented articles marked as such; notice of infringement.** It shall be the duty of all patentees, and their assigns and legal representatives, and of all persons making or vending any patented article for or under them, to give sufficient notice to the public that the same is patented; either by fixing thereon the word 'patented,' together with the day and year the patent was granted; or when, from the character of the article, this can not be done, by fixing to it, or to the package wherein one or more of them is inclosed, a label containing the like notice; and in any suit for infringement, by the party failing so to mark, no damages shall be recovered by the plaintiff, except on proof that the defendant was duly notified of the infringement, and continued, after such notice, to make, use, or vend the articles so patented. (R. S. Sec. 4900)."*

The sole question as to when the accounting period begins in this case is this: Do the provisions of Section 4900 apply to a patent owner who does not make, use, or sell the patented article? The first and logical reaction is that the statute does so apply, particularly since the section provides alternative methods of notice. Since a patent owner

* This is the way the statute read at the time this suit was instituted and at the time the counterclaim was filed. It has since been amended to provide that the patent marking shall be by number rather than by date of issue. As so amended by Act of Feb. 7, 1927, it is Title 35, Sec. 49 U. S. C.

is not required to manufacture or to otherwise use his patent, notice by marking in some cases obviously would be impossible and hence the alternative method of notice to the particular defendant.

Section 4900 is applicable to three classes of persons:

1. "patentees",
2. "their assigns and legal representatives",
3. "all persons making or vending any patented article for or under them" (that is, licensees of either the patentee or his assigns).

It will be observed that the statute does not say **all patentees who make or vend.**

Likewise, the statute does not say **assigns and legal representatives who make or vend.** Thus, by the plain language of the statute, the duty to mark is imposed on

> "all patentees and their assigns and legal representatives"

without limitation.

If the statute means, as petitioner contends, that the giving of notice is imposed only on those who make and sell, the whole matter could be disposed of by merely saying *all persons who make or vend patented articles.*

If the statute bears the interpretation contended for by the petitioner, absurd results and hardships follow. The interpretation of the petitioner would mean that one who makes, sells, and gives to the public the benefit of his invention before the expiration of the seventeen years, is placed at a disadvantage in protecting his patent over one who maintains merely a paper patent. On petitioner's contention the former, having made, is required to mark as a condition for the recovery of damages; but the owner of the paper patent would be under no such disability and subject to no such condition. Certainly Congress did not intend any such fantastic result. Indeed it has been ju-

dicially noticed, *Flat Slab Patents Co.* v. *Northwestern Glass Co.*, 281 F. 51 (C. C. A. 8) that:

> "the reason for giving some kind of notice to the alleged infringer would seem to be the same, if not greater, when the patented device was not sold or manufactured by the patentee, as where it is." (P. 53.)

On the other hand, the interpretation contended for by the respondent that the statute applies to all persons, whether or not they make or sell, creates no hardship or inequality. Every patent owner or licensee can give individual notice of infringement, one of the alternative methods provided, without trouble or expense.

The petitioner's argument on the statute standing by itself is a strained contention on grammatical construction. By an exercise in syntax, the petitioner is unable to find any antecedent for the word "same" except the phrase "patented article." And so draws the conclusion that when there is no article the statute does not apply. The statute, however, provides for two kinds of notices, namely, notice to the public by marking and notice to an infringer. This appears from the bold faced heading of the Section (Title 35, Section 49, U. S. Code) which reads:

> "Patented articles marked as such; notice of infringement."

By the statute if an article is marked, the accused infringer has notice as a member of the public. If an article is not or cannot be marked because not in existence, then special notice is required to the defendant.

The petitioner contends that the statute is not intended to give notice of the existence of a patent. With this we agree. The issuance of a patent and its recording in the Patent Office is notice to the world of the existence of the patent. But the purpose of Section 4900 is not to give notice of the patent. That has already been done by the patent's issuance. The requirement of the statute is to

give notice of the accusation of infringement. Copying an article marked patented is of itself such notice. But mere knowledge of the existence of a patent is not notice of infringement. Hence the requirement for

"notice of infringement"

and

"duly notified of the infringement."

That the purpose of the statute is to provide for notice of infringement is clear by its last clause which reads:

> "no damages shall be recovered by the plaintiff except on proof that the defendant was duly notified of the infringement, and continued, after such notice, to make, use, or vend the article so patented."

There is nothing inconsistent with the interpretation placed upon the statute by the respondent and the rule that a patent owner need not use his patent. If alternative notice of methods were not provided by the statute, there might be a lack of harmony between the two rules because one who did not manufacture would be at a disadvantage in protecting trespass upon his rights. The respondent's contention in respect to the interpretation of Section 4900 does not place upon a patentee the duty of manufacture or use in order that damages may be recovered. The alternative method of notice provided in the statute and recognized by this court in *Dunlap* v. *Schofield,* 152 U. S. 244, makes an entirely consonant and harmonious policy of the law.

Nor is Section 4900 any derogation of a right to recover damages provided in Sections 4919 and 4921 of the Revised Statutes (35 U. S. C. 67, 70). And if it is in derogation or limitation of those sections, no one would contend that Congress did not have the right to make such limitation.

Again the petitioner contends that many patentees cannot manufacture because of the existence of a dominant

patent. This may be true in some instances. But the existence of a dominant patent, while it may prevent manufacture, does not interfere with the giving of the alternative notice to the particular defendant as required by Section 4900. Again the policy of the law is entirely harmonious and consistent.

To summarize this section of the brief: By the plain language of the statute the duty to give notice of infringement is imposed without limitation upon

> "all patentees and their assigns and legal representatives."

Then the statute proceeds and imposes it upon

> "all persons making or vending any patented article for or under them."

If Congress had intended to impose the duty to give notice only upon those persons who might make or vend the patented article, it would have been an easy matter to have so declared. The whole matter could have been disposed of by the use of the words "all persons making or vending any patented article."

The language of the statute is plain and unambiguous. The duty to give notice is required not only of patentees and their assigns and legal representatives; but also the duty is imposed upon all persons making or vending under them.

The purpose of the statute is not that notice may be given of the issuance and existence of a patent but to prevent innocent infringement; and this is accomplished in two ways, —by marking the article if made, for all to see; or by the sending of an accusing notice.

Point II.

The legislative history of Section 4900 R. S. shows that Congress changed prior statutes respecting marking and notice, and intended to make the change it wrought.

The earliest provision in respect to the marking of patented articles is the Act of August 29, 1842, Stat. at L. Chap. 263, Section 6, Volume 5, p. 549, which reads in part, as follows:

> "SEC. 6. And be it further enacted, That all patentees and assignees of patents hereinafter granted, are hereby required to stamp, engrave, or cause to be stamped or engraved, on each article vended, or offered for sale, the date of the patent. . . . ."*

It will be observed that this statute required all patentees and assignees to mark each article vended or offered for sale. It provides for no notice to infringers.

The Act of August 29, 1842, was followed by the Act of March 2, 1861, 12 Stat. at L. 249, Chap. 88, Section 13 which provided:

> "That in all cases where an article is made or vended by any person under the protection of letters patent, it shall be the duty of such person to give sufficient notice to the public that said article is so patented, either by fixing thereon the word 'patented' * * * on failure of which, in any suit for infringement of letters patent by the party failing so to mark the article the right to which is infringed upon, no damage shall be recovered by the plaintiff, except on proof that the defendant was duly notified of the infringement * * *."†

Thus the Act of March 2, 1861, made, so far as we are here concerned, one important change, namely, the provision not only in respect to notice to the public generally but also and, in addition, the provision in respect to notice of

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*The remainder of the statute refers to the penalty for not marking. The entire statute is set forth in the Appendix.

†The entire section appears in the Appendix to this Brief.

infringement. The Act of August 29, 1842, had no such provision. It required only the marking of patented articles. The Act of March 2, 1861, enlarged the purpose of the statute and created less of a hardship upon the patentee or patent owner, for thereafter instead of being subject to a penalty which any one might collect, such patentee or patent owner would suffer loss only if he failed to give notice to an accused infringer.

The next enactment by Congress in respect to the marking of patented articles was the Act of July 8, 1870, Chap. 230, Section 38, 16 Stat. at L. 203. This, without change, became Section 4900 R. S.; and subsequently Section 49, Title 35, U. S. C.* It applies to: (1) "all patentees," (2) "their assigns and legal representatives," and (3) "all persons making or vending any patented article for or under them."

This Act of July 8, 1870 continued the change first incorporated into the law by the Act of March 2, 1861, and added a second change. The 1861 Act applied by its terms to

> "all cases where an article is made or vended by any person under the protection of letters patent";

but the Act of 1870, now Section 4900 R. S. extended the provision in respect to alternative notice to all patentees as well as to persons who made and vended.

Judge Dickinson in *Churchward International Steel Co.* v. *Bethlehem Steel Co.*, 262 F. 438; and the Circuit Court of Appeals for the Eighth Circuit in *Flat Slab Patents Co.* v. *Northwestern Glass Co.*, 281 F. 51, as well as the Circuit Court of Appeals in the instant case (R. 227), considered the legislative history of Section 4900 R. S.; and in each opinion is drawn the conclusion that because the earlier acts of 1842 and 1861 limited the obligation of notice to

*The section appears in the Appendix.

persons making or vending any patented article, the absence of such limitation in the Act of 1870 and in Section 4900 R. S. was intended to work a change.

The limitation to persons who make or vend is not found in the present statute. Section 4900 does not say

"all patentees who make or vend";

and does not say

"assigns and legal representatives who make or vend."

The section clearly does say that the three classes of persons named therein, namely, (1) patentees, (2) assigns and legal representatives, and (3) all persons making or vending patented articles for or under them, must either mark the article of the patent in accordance with the statute or give notice to the accused infringer. Alternative methods of giving notice are provided by the statute; so no hardship is worked upon him who does not make and sell and no lack of harmony with other provisions of the patent laws exist.

If the present edition of the statute means that giving notice is imposed only on those who make or sell, there would have been no necessity for changing the earlier enactments of the statute. The whole matter could have been disposed of by saying

"all persons who make or vend patented articles."

Entirely ignoring the first consideration in the interpretation of a statute, namely, what the statute says, the petitioner at great length recites and argues the Act of June 27, 1866, Stat. at L. Chap. 140. This was an Act to provide for the revision and consolidation of the statute laws of the United States. The law in force in respect to the marking of patented articles at the time the revision of the laws was undertaken, was the Act of March 2, 1861, appearing in the Appendix to this Brief. It appears from the Petitioner's Brief (pp. 27 *et seq.* and in the Appendix

thereto) that the Patent Act of July 8, 1870 was considered, not only by the House Committee on the Revision of Laws but also by the Committee on Patents. It further appears from Petitioner's Brief, p. 44, quoting from the Congressional Globe, Vol. 43, Part 5 at pages 2679 and 2680, that the Committee on Patents received numerous communications, bills and petitions; that these were all taken into consideration; that discussion was invited from those interested and learned in the Patent Law.

Further, the Act of July 8, 1870 is entitled "An Act to Revise, Consolidate and Amend the Statutes Relating to Patents and Copyrights" (16 Stat. 198). Ignoring the fact that the Act of July 8, 1870 was an Act to revise, consolidate and amend and that the Act of June 27, 1866 was also an Act to revise, the petitioner argues, essentially, that Section 38 of the Act of 1870 is no more than a parcel of an orderly collection and classification of existing statutes. A revised statute, as the name implies, is a re-enactment. And in the re-enactment which brought forth the present Section 4900, changes were made. Such changes were intended. Section 38 did not pass through Congress unnoticed for the word "use" was added during its consideration by Congress to make the section conclude with the words

"to make, use, or vend the article so patented."

The petitioner argues that the Committee reporting the bill which included the section of the statute in question considered that no change had been made in the law. In proof of such assertion it is argued (Petitioner's Brief, p. 29) that the bill was printed to show the law "as it now is". But to this the Chairman of the Committee added the significant statement that the bill was "in the form in which it came from the hands of the Commissioners of Revision".

But even if the House Committee did not believe a change had been made, that fact is of no importance. In *United*

States v. *Shreveport Grain & Elevator Co.*, 287 U. S. 75, the Court was referred to the fact that the House Committee in charge of the legislation afterwards enacted, gave an interpretation in reporting the bill and that the Senate Committee gave a similar interpretation. Nevertheless the court decided otherwise. Justice Sutherland, delivering the opinion of the Court, said (p. 83):

> "Our attention is called to the fact that the House Committee on Interstate and Foreign Commerce, in reporting the bill which afterwards became the act in question (H. R. 850, 62d Cong. 2d Sess. pp. 2-4) agreed with the view that the authority to make rules and regulations was confined to the establishment of tolerances and exemptions; and that the Senate Committee on Manufactures (S. R. 1216, 62 Cong. 3d Sess. pp. 2-4) reported to the same effect. In proper cases, such reports are given consideration in determining the meaning of a statute, but only where that meaning is doubtful. They cannot be resorted to for the purpose of construing a statute contrary to the natural import of its terms."

The petitioner argues that because the Act of June 27, 1866, providing for revision required headnotes and sidenotes so drawn as to point to the contents of the text, the sidenote which appeared opposite Section 38 of the Act of 1870, reading

"Patented Article to be Marked"

limits the Act in its application only to cases where patented articles have been made. This argument would add to a statute and give the force of law to marginal index notes.

No one can contend that the present section does not differ in language from its predecessors. The history of the enactment of the present session, its consideration by the two committees, by both Houses of Congress, and its amendment while in Congress, adequately refutes the statement that no change was intended. The only argu-

ment that a change was not intended is that physically the bill as introduced did not show the change which was wrought.

But whether or not a change was intended, one was made. This change has been judicially referred to, not only by the Circuit Court of Appeals in the instant case, but by other Courts as recited above. In the interpretation of a statute, the first consideration is what the statute says. The cardinal canon in statutory construction or interpretation is to enforce expressed language of the statute.

> *United States* v. *Lexington Mill Co.*, 232 U. S. 399.
> *Braffith* v. *Virgin Island*, 26 F. (2) 646 (C. C. A. 3).

Section 4900 R. S. embodies a change over the previous Act of 1861. Congress intended to make the amendment which is so obviously made. That intent is clear both from the amendment itself and from the title to the Act of 1870 which reads:

> "July 8, 1870 Chap. CCXXX. An Act to revise, consolidate, and **amend** the Statutes relating to Patents and Copyrights." (16 Stat. 198) (Emphasis supplied.)

The title to an Act is considered in determining intent. *Church of the Holy Trinity* v. *United States*, 143 U. S. 457, 462.

To summarize the legislative history: The Act of August 29, 1842, required all patentees who made and vended to mark the patented articles and carried a penalty for not so doing. That provision made no reference to notice of infringement. This Act was followed by the Act of March 2, 1861, which contained the same requirement in respect to the marking of articles made or vended by any person. The 1861 Act made the first important change by denying the right to damages unless notice was given; but the Act was

still limited to the patentees who made and vended. Then came the Act of July 8, 1870, now Section 4900 R. S., which extended the provision requiring marking and notice to all patentees, as well as to persons who made and vended, thus making the second important change over the original enactment of 1842.

Point III.

The decision of the Circuit Court of Appeals is in harmony with the decision of this Court in Dunlap v. Schofield, 152 U. S. 244, and with the decision of each Circuit Court of Appeals which has passed upon the question involved.

The Circuit Court of Appeals for the Sixth Circuit decided (R. 227) that "as no notice was given in this case until the date of the filing of the counterclaim, the period of accounting began on that date". This interpretation of Section 4900 R. S. is in entire harmony with the decision of this Court in *Dunlap* v. *Schofield*, 152 U. S. 244. Justice Gray, in delivering the opinion of the Court said: (p. 247)

> "The clear meaning of this section is that the patentee or his assignee, if he makes or sells the article patented, cannot recover damages against infringers of the patent, unless he has given notice of his right, either to the whole public by marking his article 'patented,' or to the particular defendants by informing them of his patent and of their infringement of it.
>
> One of these two things, marking the articles, or notice to the infringers, is made by the statute a prerequisite to the patentee's right to recover damages against them. Each is an affirmative fact, and is something to be done by him. Whether his patented articles have been duly marked or not is a matter peculiarly within his own knowledge; and if they are not duly marked, the statute expressly puts upon him the burden of proving the notice to the infringers, before he can charge them in damages."

The petitioner refers only to the first paragraph quoted above; and referring to that paragraph only draws the conclusion that this Court has held that Section 4900 R. S. applies only when the patentee or his assignee has made or sold the patented article. The respondent contends that taking the two pertinent paragraphs of the decision of *Dunlap v. Schofield* together, the decision means that he who makes must give notice of his right "to the whole public by marking" or to "the particular defendants by informing them of his patent and of their infringement of it."

The second paragraph points out the alternative methods of giving notice provided by the statute, namely, marking or notice to the infringer.

Some of the District Courts in the United States have interpreted the first paragraph quoted from *Dunlap v. Schofield* to mean that only when the patentee or assignee makes or sells the patented article need he give notice or mark in order to recover damages.* *All of the Circuit Courts of Appeals who have considered the issue have decided otherwise.*

In any event there was not involved in *Dunlap v. Schofield,* a state of facts upon which to predicate the contention that the case holds that one who does not make is exempt from the obligation to give notice, for the plaintiff in *Dunlap* v. *Schofield* had made and sold the patented article. Further, it appears that the plaintiff had waived all right to an account of profits or to other damages, but was allowed a recovery in the nature of a penalty. The patent had expired at the time of the decision in the Supreme Court.

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* *Campbell* v. *Mayor of New York* (S. D. N. Y.), 81 F. 182.
Ewart v. *Baldwin Co.* (Dist. Mass.), 91 F. 282.
Wagner v. *Corn Products Refining Co.* (Dist. N. J.), 28 F. (2d) 617.
Van Meter v. *United States* (Dist. N. Y.), 37 F. (2d) 111, 113.
Olsson v. *United States*, 72 Ct. Clms. 72, 9 Pat. Q. 111, new trial denied, 72 Ct. Clms. 103, 11 Pat. Q. 13.

Four Circuit Courts of Appeals have passed upon the question here involved and in each instance the decision has said that whether the inventor or his assignee manufactures and sells under an article patent or whether he does not, he must give notice in one of the two alternative methods provided in Section 4900 R. S.; and that in the event of failure to mark or give notice, no damages or profits shall be recovered. Applying that rule to the facts of the instant case, the Circuit Court of Appeals for the Sixth Circuit decided that the period of accounting began with the date of the filing of the counterclaim on April 25, 1923.

The decisions of the Circuit Courts of Appeals referred to in the paragraph above are:

1. *Flat Slab Patents Co. v. Northwestern Glass Co.*, 281 F. 51 (C. C. A. 8)

The facts in this case appear from the quotation given below, from the opinion of the Court, Judges Sanborn, Garland, and Trieber. The plaintiff contended that since it had never been engaged in manufacturing or selling the patented flooring, it was not barred from the recovery of damages because of the failure to mark or give notice. The Court said, in answering this contention (p. 52):

> "Plaintiff contends that, as the evidence showed that it had never been engaged in manufacturing or selling the patented flooring, it was not barred under the statute for the recovery of damages because of failure to mark the patent flooring in the manner prescribed in the statute or by failure to give notice of infringement to the defendant prior to the beginning of the period for which recovery is sought. Counsel have not cited, nor have we been able to find, any authority which would be binding on this court as to the construction of the statute with reference as to whether it applies to a patentee who has never been engaged in manufacturing or selling the article for which it owns a patent.
>
> It is true that under the law a patentee is not obliged

to manufacture and sell the patented device. *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U. S. 405, 28 Sup. Ct. 748, 52 L. Ed. 1122. **But the reason for giving some kind of notice to the alleged infringer would seem to be the same, if not greater, when the patented device was not sold or manufactured by the patentee as where it is. We are of the opinion that the statute above quoted does not limit the requirement as to notice to persons making or vending any patented article. By the plain language thereof the duty to give notice is imposed upon 'all patentees and their assigns and legal representatives,' without limitation, then the statute proceeds and imposes the duty upon 'all persons making or vending any patented article for or under them.' If Congress had intended to impose the duty to give notice only upon those persons who might make or vend the patented article, it would have been an easy matter to have so declared.** It would not then have been necessary to use the words 'patentees, and their assigns and legal representatives' at all but the whole matter could have been disposed of by the use of the words 'all persons.' The language of the statute in regard to making or vending does not limit the duty to give notice to persons making or vending, but extended the duty already imposed upon patentees, their assigns and legal representatives to all persons making or vending under them." (Emphasis supplied.)

A companion case, *Flat Slab Patents Co.* v. *Turner*, 285 F. 257 (C. C. A. 8) (certiorari denied, 262 U. S. 752), reviewing at length earlier opinions, announces the same ruling, namely, that an accounting should begin from the day of actual notice when there has been no marking or possibility of marking.

2. *American Caramel Co.* v. *Mills*, 162 F. 147 (C. C. A. 3).

The point involved arose on a motion to recall the mandate for amendment. An earlier decision by the Circuit Court of Appeals, 149 F. 743, shows that the patented device had been used in the business of the plaintiff; there had been no license or sale of the machines. Judge Arch-

bald, delivering the opinion of the Court for himself and Judges Dallas and Gray, said, p. 148:

> "An account was also prayed for and allowed, which we are now asked to refuse upon the ground that no proof was made that the complainants ever marked their machines 'patented', or gave notice to the defendants that they were patented, as required by the statute (Rev. St. Sec. 4900 (U. S. Comp. St. 1901, p. 3388)); this having been denied and put in issue by the answer. This point is said to have been made in the Court below, but was not raised here, the complainants being the appellants, and it naturally passed unnoticed. As a result of a neglect to mark, or to notify the defendants in the absence of it, damages are denied by the statute; the infringement being otherwise presumptively innocent. And, issue being made by the answer, a compliance with the statute is required to be affirmatively shown in order to lay ground for an account (*Dunlap* v. *Schofield*, 152 U. S. 244, 14 Sup. Ct. 576, 38 L. Ed. 426), at least for anything which precedes the filing of the bill (*United States Mitis Co.* v. *Midvale Steel Co.* (C. C.) 135 Fed. 103.) **It is immaterial that in the present instance the complainants neither license nor sell their machines, reserving the benefit of the patent for the advantages of their own business.** The fact still remains that without notice, either direct or constructive, the defendants are entitled to be regarded as acting innocently, and so not liable to damages, by the express provision of the statute." (Emphasis supplied.)

3. *Van Meter* v. *United States*, 47 F. (2d) 192 (C. C. A. 2).

The report of the decision in the District Court, 37 F. (2d) 111, shows that at the time notice was given of the infringement, none of the patented devices had even been made. The Circuit Court of Appeals for the Second Circuit held that the plaintiff could not recover damages for the period prior to the notice of the infringement.

In determining that the accounting must begin with the date of notice, Judge Manton, speaking for Judges Learned Hand, Chase and himself, said (p. 196):

> "The plaintiff may not recover damages sustained

prior to September 18, 1920. **The inventor who does not manufacture must give notice of infringement.** *American Caramel Co.* v. *Thomas Mills & Bro.* 162 F. 147 (C. C. A. 3). September 18, 1920, is the first date of such notice. A patentee must mark products manufactured and sold as patented, and no damages are recoverable for infringement except on proof that the defendant was duly warned by notice of the infringement. Such notice is a prerequisite to recovery of damages. Rev. Stat. Sec. 4900 (35 U. S. C. A. Sec. 49); *American Caramel Co.* v. *Thomas Mills & Bros., supra; Flat Slab Patents Co.* v. *Northwestern Glass Co.* 281 F. 51 (C. C. A. 8); *Son* v. *Pressed Steel Car Co.* (D. C.) 21 F. (2d) 528." (Emphasis supplied.)

4. *Enterprise Railway Equipment Company* v. *Wine Railway Appliance Co.*, 77 F. (2) 159 (C. C. A. 6).

This is the instant case. The decision is found in the record at page 226, 46 *seq.*

In addition to the four Circuit Court of Appeals decisions discussed above, the following District Court cases hold that Section 4900 R. S. applies to all patents regardless of whether the patented article has ever been made or sold under the patent.

1. *Son* v. *Pressed Steel Car Co.*, 21 F. (2) 528 (S. D. N. Y.).

In this case, refusing to be governed by earlier opinions of District Courts in the same circuit, Judge Thacher held that Section 4900 applies to all cases even though the complainant does not make or vend the patented article. The complainant alleged that since there had been no making or vending of the patented article, the provisions of Section 4900 did not require notice of infringement as a condition of recovery. The point involved could not have been more squarely raised. Judge Thacher, in his opinion, cited nearly all of the cases which have any bearing at all upon the question involved and drew three conclusions, namely,

(a) That Section 4900 applies to all patentees and is not limited to those who make and vend the patented articles;

(b) That knowledge of existence of patents is not notice of infringement required by the statute;

(c) That the statute bars recovery of profits as well as of damages.

In the course of his opinion, Judge Thacher said (p. 529):

> "The point may be passed, however, and decision rested upon the more fundamental objection that, regardless of technical insufficiency of allegation, there can be no recovery, either at law or in equity because of failure to allege compliance with section 4900 of the Revised Statutes (35 U. S. C. A. Sec. 49; Comp. St. Sec. 9446); notice of infringement or continuance of infringement, after notice not being alleged. Upon this point the plaintiff contends that, it being alleged that she does not make or vend the patented article, section 4900 of the Revised Statutes does not require notice of infringement as a condition of recovery. It was so held by Judge Wheeler, in this court, in *Campbell* v. *City of New York* (C. C.) 81 F. 182, and his ruling was followed by Judge Putnam, in *Ewart Mfg. Co.* v. *Baldwin Cycle-Chain Co.* (C. C.) 91 F. 262. After some doubt (see *U. S. Mitis Co.* v. *Carnegie Steel Co.* (C. C.) 89 F. 206, and *U. S. Mitis Co.* v. *Midvale Steel Co.* (C. C.) 135 F. 103), the law is settled in the Third circuit that section 4900 applies to all patentees, and is not limited to those who make and vend patented articles. *American Caramel Co.* v. *Thomas Mills & Bros.* 162 F. 147 (C. C. A. 3d Cir); *Churchward International S. Co.* v. *Bethlehem S. Co.* D. C. 262 F. 438. The same conclusion has been reached in the Eighth circuit, by a court composed of Sanborn and Carland, Circuit Judges, and Trieber, District Judge, in a very thoroughly considered opinion, in which the decision in *Campbell* v. *City of New York, supra,* both in its conclusion and its reasoning, is severely criticized. *Flat Slab Patents Co.* v. *Northwestern Glass Co.,* 281 F. 51. And the same court, in *Flat Slab Patents Co.* v. *Turner,* 285 F. 257, in a court composed of Hook and Stone, Circuit Judges, and Wade, District Judge, again criticized *Campbell* v. *City of New York.*"

2. *Churchward International Steel Co.* v. *Bethlehem Steel Co.*, 262 F. 438 (D. C. E. D. Pa.)

In this case, Judge Dickinson reached two conclusions, namely,

(a) That Section 4900 R. S. applies to all patentees and is not limited to those who make and vend patented articles; and

(b) That the Section relieves infringers without notice from payment of damages but not from accounting for profits.

On the second conclusion that the word "damages" in the statute does not include profits, the decision of Judge Dickinson is in a hopeless and overruled minority. Indeed there is not found in the petitioner's brief any argument or contention that there exists a distinction between the profits and damages so far as the application of Section 4900 R. S. is concerned.*

The petitioner attacks the *Churchward* case because it states (Brief, p. 35) that Judge Dickinson fails to observe that recovery of damages is not barred in every suit for infringement where the defendant was not duly notified but only when the defendant is under an obligation to mark. This attack is unjustified for the patented article involved in the *Churchward* case had never been made and vended; and Judge Dickinson specifically concluded

> "R. S. Sec. 4900 applies to all patentees and is not limited to those who make and vend patented articles." **

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* The statute bars recovery of profits as well as of damages. *Son* v. *Pressed Steel Car Co.*, 21 F. (2) 528 (D. C. S. D. New York); *Gibson* v. *American Graphophone Co.*, 234 F. 633 (C. C. A. 2); *Franklin Brass Foundry Co.* v. *Shapiro and Aronson*, 278 F. 435 (C. C. A. 3), *Flat Slab Patent Co.* v. *Turner*, 285 F. 257 (C. C. A. 8), certiorari denied, 262 U. S. 752.

** The patents involved in the *Churchward* case, were subsequently held invalid (268 F. 361, C. C. A. 3): but the statement of the petition that Judge Dickinson's decision in 262 F. 438 was reversed, is not accurate. His ruling as to the application of Section 4900 merely became inapplicable when the patents were held invalid.

CONCLUSION.

Section 4900 R. S. provides alternative methods of notice. As this Court has said in *Dunlap* v. *Schofield,* 152 U. S. 244:

> "One of these two things, marking the articles, or notice to the infringers, is made by the statute a prerequisite to the patentee's right to recover damages against them."

Every Circuit Court of Appeals which has considered the question here involved has interpreted the statute as applying to all patentees whether or not they make or sell; and that failure to make or sell the article of the patent does not afford an excuse from the alternative requirements of the statute. This judicial authority carries into effect and gives to the statute a construction which carries out its purpose as shown by its language and the legislative history of enactments of the legislature relating to the marking of patented articles and notice of infringement.

Applying this conclusion and interpretation to the case at bar requires a ruling that the respondent need account only for acts of infringement committed after the petitioner filed its counterclaim on April 25, 1923.

Respectfully submitted,

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APPENDIX.

I.

Act of August 29, 1842, 5 Stat. at L. Chap. 26, Sec. 6:

"SEC. 6. And be it further enacted, That all patentees and assigness of patents hereinafter granted, are hereby required to stamp, engrave, or cause to be stamped or engraved, on each article vended, or offered for sale, the date of the patent; and if any person or persons, patentees or assigness, shall neglect to do so, he, she, or they, shall be liable to the same penalty, to be received and disposed of in the manner specified in the foregoing fifth section of this act."

II.

Act of March 2, 1861, ch. 88, Sec. 13; 12 Stat. L. 249:

"SEC. 13. *And be it further enacted,* That in all cases where an article is made or vended by any person under the protection of letters-patent, it shall be the duty of such person to give sufficient notice to the public that said article is so patented, either by fixing thereon the word 'patented', together with the day and year the patent was granted; or when, from the character of the article patented, that may be impracticable, by enveloping one or more of the said articles, and affixing a label to the package or otherwise attaching thereto a label on which the notice, with the date, is printed; on failure of which, in any suit for the infringement of letters-patent by the party failing so to mark the article the right to which is infringed upon, no damage shall be recovered by the plaintiff, except on proof that the defendant was duly notified of the infringement, and continued after such notice to make or vend the article patented. And the sixth section of the act entitled 'An act in addition to an act to promote the progress of the useful arts,' and so forth, approved the twenty-ninth day of August, eighteen hundred and forty-two, be and the same is hereby repealed."

III.

Act of July 8, 1870, R. S. Sec. 4900, Title 35 U. S. C. Sec. 49:

> "**Patented articles marked as such; notice of infringement.** It shall be the duty of all patentees, and their assigns and legal representatives, and of all persons making or vending any patented article for or under them, to give sufficient notice to the public that the same is patented; either by fixing thereon the word 'patented,' together with the day and year the patent was granted; or when, from the character of the article, this can not be done, by fixing to it, or to the package wherein one or more of them is inclosed, a label containing the like notice; and in any suit for infringement, by the party failing so to mark, no damages shall be recovered by the plaintiff, except on proof that the defendant was duly notified of the infringement, and continued, after such notice, to make, use, or vend the articles so patented. (R. S. Sec. 4900)."